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S E C R E T SECTION 01 OF 02 KATHMANDU 000170

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TAGS: PREF PREL EAID PHUM AORC NP

SUBJECT: BHUTANESE REFUGEESS: NEPALESE FOREIGN MINISTER

CAUTIOUSLY OPTIMISTIC UPON RETURN FROM BHUTAN

REF: A. A. KATHMANDU 41

1B. B. 2001 KATHMANDU 2463

1C. C. STATE 16536

Classified By: Ambassador Michael E. Malinowski for reasons 1.5 (b) and (d).

Summary

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11. (C) On January 28, Foreign Minister Narendra Bikram Shah briefed the Ambassador on his January 23-26 trip to Bhutan. Shah revealed a timeline for the Twelfth and Thirteenth bilateral Ministerial Meetings to restart the work of the Joint Verification Team to repatriate Bhutanese refugees. Bhutan's King Wangchuck appears to be personally engaged in establishing a compromise with Nepal to break through the impasse. The Government of Nepal (GoN) is cautiously optimistic but will grade the Government of Bhutan's (GoB) sincerity on the number of refugees it is willing to repatriate. End summary.

Bhutan's King is Engaged

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12. (S/NF) In a late afternoon meeting with the Ambassador on January 28, Foreign Minister Narendra Bikram Shah briefly outlined the results of his trip to Bhutan (Ref A). During his trip, which was intended as an informal visit, Shah met with Bhutan's Foreign Minister Thinley, Prime Minister Dorji, and King Wangchuck in a setting where the King did most of the talking. According to Shah's account, the King walked line-by-line through Bhutan's position paper to clarify the intent of his government in resolving the impasse:

-- Category 1, Forcibly Evicted Refugees: The King affirmed GoB's previous commitment to accept the return of these refugees and acknowledges its responsibility for their departure.

-- Category 2, Voluntary Refugees: The King told Shah that under Bhutanese law, these individuals lost their citizenship upon their departure from the Kingdom. However, with great objection from his Cabinet, the King will direct that the GoB liberally interpret the citizenship law. In making this concession, the King appealed to Shah for a reciprocal commitment from the Government of Nepal--i.e., refugees in this category will be asked to make a voluntary application for citizenship to return to Bhutan, those individuals unwilling to do so should be accepted by Nepal. (Comment: As described by Shah, it is unclear if acceptance by Nepal equates to citizenship or a form of immigration parole within Nepal. End comment.)

-- Categories 3, Criminals, and 4, Non-Bhutanese: According to Shah, the King believes these two categories are much more difficult. Criminals assessed to be Bhutanese will be allowed to return, as long as they are willing to face charges in Bhutan. However, the King stated that many Category 4 refugees are really Indians seeking benefits.

Cautious Optimism: Many a Slip Between a Cup and a Lip

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13. (S/NF) During their meeting, Shah and the Bhutanese King committed to holding the long-delayed Twelfth Round of ministerial-level talks in Kathmandu on February 14, the eve of the donor roundtable meeting in Geneva. Shah did not provide any details of the meeting's agenda. He did, however, reveal that a Joint Verification Team would assemble in Bhutan upon the Round's conclusion to sort through the paperwork from the first verification exercise completed at the Khundunabari refugee camp in December 2001 (Ref B). Nepal's delegation would be led by the Home Ministry and accompanied by the Director General of Immigration. According to Shah, Bhutanese commitment must be demonstrated in Bhutan's acceptance of Category 2 refugees in large numbers. A Thirteenth Round is tentatively scheduled for March, where any outstanding difficulties from the Joint Verification Team can be addressed, plans can be made for

emptying the Khundunabari camp, and a timeline and procedures can be established to empty the remaining camps.

Foreign Minister, "Let Our Two Countries Settle this Dispute"  
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14. (C) Shah emphasized the GoN and GoB desire to settle the refugees bilaterally. He is aware of the assistance offered by third parties to help, but asks, "let our two countries settle this dispute." Shah was surprised and encouraged by King Wangchuck's personal engagement on this issue. However, his optimism is tempered by the repeated delays in the repatriation process.

Comment  
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15. (S/NF) The change in tone from the GoB may augur a bilateral breakthrough. However, Shah's caution is well founded, with the GoN linking future talks upon the progress of the Joint Verification Teams. Further, his appeal to resolve the situation bilaterally may be interpreted as a request to play down U.S. offers of third-country settlement. The GoN might have concerns that offers of third-country settlement could mitigate GoB's voluntary repatriation offer for Category 2 refugees, as they may defer returning in light of greater economic opportunities in the U.S. or elsewhere. We believe it important that donors attending the February 17 aid consortium meeting in Geneva be encouraged to press the GoB to move ahead on resolving this long-standing issue (Ref C).

MALINOWSKI